

**To Amend Section 305 of the Communications Act
of 1934, as Amended.**

Be it enacted by the Senate and the House of Representatives
of the United States of America in Congress assembled:

Section 305 of the Communications Act of 1934, as amended, is
further amended by addition of a new section "d" as follows:

"(d) The provisions of Sections 301 and 303 of this Act notwithstanding, the President may authorize a foreign Government, under such terms and conditions as he may prescribe, to construct and operate at the Seat of Government of the United States a low-power radio station in fixed service at or near the site of the Embassy or Legation of such foreign Government for transmission of its messages to points outside the United States, where he determines that the authorization would be consistent with the national interest of the United States and where such foreign Government has provided substantial reciprocal privileges to the United States to construct and operate radio stations within territories subject to its jurisdiction. Foreign Government stations authorized pursuant to the provisions of this subsection shall conform to such rules and regulations designed to prevent interference with other radio stations and the rights of others as the Commission may prescribe. The authorization of such stations, and the renewal, modification, suspension, revocation or other termination of such authority shall be in accordance with such procedures as may be established by the President and shall not be subject to the other provisions of this Act or of the Administrative Procedure Act."

Dear Mr. Speaker:

Rapid, secure and dependable communication between the Department of State and American diplomatic and consular posts abroad is essential to the conduct of United States foreign policy. This fact increasingly is true due to the accelerating pace of international negotiations and our need to obtain multilateral solutions to foreign policy problems. Many posts abroad now must rely upon commercial telegraph facilities, usually controlled by local governments which often are communist dominated. In addition to the difficulties thus encountered in daily operations, internal uprisings and disruptions of international relationships frequently interrupt these commercial facilities at the very time our communication needs are most acute.

The most satisfactory solution to this problem is use of radio transmitters located in our missions abroad. We are severely restricted in the use of such facilities because the Communications Act of 1934 does not permit granting of reciprocal privileges to foreign governments. The Communications Act provides that aliens and representatives of foreign governments may not be licensed to operate radio transmitting stations in the United States. Consequently, many governments will not permit us to operate radio transmitters in their countries.

Principal considerations opposing the granting of reciprocal radio transmitting privileges to representatives of foreign governments in the United States are:

1. Potential loss of revenue to American carriers.
2. Facilitation of transmission of intelligence from the United States by foreign governments.
3. Frequency and interference problems for other radio services in the United States.

There is considerable

The Honorable

John W. McCormack,

Speaker of the House of Representatives.

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There is considerable evidence to indicate that the advantages to be realized by this government in operating its own radio transmitters abroad materially outweigh the possible disadvantages. Treating them in order, it does not appear that American carriers would suffer significant losses of revenue. The amount of business diverted from American carriers would be small as limitations on power, operating hours and frequencies of foreign government operated transmitters would not permit diversion of a large volume of traffic.

As to intelligence considerations, the use of diplomatic radio facilities can be interpreted merely as a modern extension of the time-honored privileges of the diplomatic pouch. The pouch normally enjoys complete immunity from inspection and, with present international air schedules, offers a very rapid channel for transmission of practically unlimited quantities of intelligence material. The foreign missions have open access to international telegraph service and in some instances are in position even to lease international radio or cable channels from the carriers and thus gain all the advantages of speed through direct telegraphic transmission. Additionally, it is contemplated that a bilateral agreement would be negotiated with a foreign government only after it has been carefully determined that a net gain would accrue to the United States.

While there are frequency and interference problems, with the low power permitted and the low volume intermittent transmission to be expected, they are not insurmountable. This is confirmed by the fact that such networks are operated extensively throughout the rest of the world without any serious complication.

I believe that it is in the national interest to amend Section 305 of the Communications Act of 1934 to permit granting of reciprocal privileges to selected foreign governments for operation of radio transmitters in their missions in the United States when in the opinion of the President such action is warranted. A draft of the proposed amendment is enclosed.

CLEARANCES: OPR - Mr. Ford

L/A - Mr. Lysterly

A - Mr. Crockett

TRC - Mr. Lebel

A:OPR:HJTrees:amc

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13 FEB 1962

MEMORANDUM FOR: The Legislative Counsel

SUBJECT : Reciprocity Agreements

REFERENCE : Bureau of the Budget Memorandum dated
7 February 1962, on Draft Bill to amend
Communications Act of 1934 (submitted by
Department of State).

1. The available files on the general subject of reciprocity rights and the proposed amendment to Section 305 of the Communications Act of 1934 have been reviewed to determine whether or not the most recent proposal differs essentially from the earlier proposal of several years standing. It was found that with a minor exception, the proposed amendment to Section 305 of the Act as contained in the recent BOB memorandum dated 7 February 1962, is a verbatim copy of the earlier proposals, the last one of which was submitted in 1958. The minor exception is that the earlier proposal added a definition of "fixed services" as follows: "Fixed services means a service of radiocommunication between specified points."

2. It is recommended that the BOB be notified in a classified memorandum that this Agency has no objection to the proposed amendment and, in fact, supports the position taken by the Department of State, provided that the amendment can be enacted without a public debate which results in disclosures which would be harmful to this Agency.

3. Because the above is concerned with maintaining a previous policy position of the Agency, I have coordinated this memorandum with the DD/P. I recommend that it also be cleared with the DD/S and that Mr. McCone be apprised of this matter because the Agency position involved was established before the DCI took office.

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Director of Communications

CONCUR

for  Deputy Director (Plans)

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